

SUBMISSION NO. 99

SUBMISSION TO

**THE HOUSE OF REPRESENTATIVES
STANDING COMMITTEE ON
ENVIRONMENT AND HERITAGE**

**INQUIRY INTO A SUSTAINABILITY
CHARTER**



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152 Wharf Street, Brisbane, Qld, 4000
Tel: +61 7 3834 7777 ♦ Fax: +61 7 3832 3042 ♦ www.hatch.ca

Table of Contents

1.	Hatch, Sustainable Development & Sustainability	1-3
1.1	Hatch.....	1-3
1.2	Our Evolving Sustainability Framework.....	1-3
2.	In Support of a Charter.....	2-4
3.	Definition of Sustainable Development	3-4
4.	Sustainability Charter Scope	4-5
5.	Sustainability Charter Models	5-5
6.	Recommendations	6-6

1. Hatch, Sustainable Development & Sustainability

1.1 Hatch

The Hatch Group provides process and detail engineering, technologies, business consulting and project and construction management services to the Mining & Metals, Energy and Infrastructure sectors across the globe.

In Australia, Hatch's 2200 staff work in 13 offices delivering some 3.5 million annual hours of services to our clients. Internationally, we have 7000 practitioners. We are employee-owned and have been for our entire 51 years.

We enjoy a pre-eminent position as a leading provider of services in our field and believe we can offer constructive and insightful suggestions for the Standing Committee to consider.

1.2 Our Evolving Sustainability Framework

Engineers are uniquely positioned. We operationalise science and technology for the benefit of society, while at the same time, bearing the responsibility of deploying those benefits responsibly. At Hatch we also recognize sustainability imperatives that engineers must operate under. We are contributing to the global initiatives in this area and will continue to adopt the emerging technical and business practices for sustainability.

Our principles of sustainable development (SD) encourage us to:

- Contribute to the well being of the global community by working, on behalf of our clients, towards sustainable resource use that recognizes ecosystem limits
- Acknowledge that the environment should not be subject to systematic degradation by physical means, nor by concentration of toxic or harmful materials
- Understand that our work should not cause harm to people in affected communities by undermining their ability to meet their needs
- Lower the ecological footprint of our designs, project management and other activities
- Continually improve designs and other activities to reduce and, if possible, eliminate pollution on behalf of our clients
- Establish SD objectives and measurable targets for our designs and for our operational support activities
- Establish and utilize tools and procedures consistent with SD principles
- Ensure that the corporate SD and HSEC¹ principles of our clients guide our designs and operational support activities
- Use innovation as the cornerstone of our initiatives to simultaneously deliver low cost and low impact

¹ HSEC – health, safety, environment, community

2. In Support of a Charter

Hatch believes that a sustainability charter will benefit the nation, providing alignment for our society and outlining incentives to act. We are endorsing the proposal to establish the Charter and the Commissioner.

Hatch's submission outlines some suggestions that we hope the Committee will consider. In particular, we point to well-conceived charters and national policies developed by the United Kingdom, Sweden & the Republic of South Africa as examples of what might be achieved for Australia.

The single most important function that a charter could do, from our perspective, is to create strong community expectations around sustainable development. Such an expectation would compel Hatch and our clients to contribute to the well being of the global community by working towards sustainable resource use that recognizes ecosystem limits.

Targets characterised as instinctively compelling and insightful would help ensure a change of community expectations.

3. Definition of Sustainable Development

A Sustainability Charter for Australia presents a unique opportunity for the government to provide a new definition of sustainability that is relevant to Australia. It could define or outline what “sustainability” or “sustainable development” means to our country.

We frequently hear unnecessary complaints that sustainability is hard to capture, or define. By contrast, Hatch has simplified our thinking and adopted a five-level definition for our own purposes; but two of these have relevance at the level of a charter.

- Sustainability is a goal; if we had a sustainable society, what would it look like?
- Sustainable Development is the strategy to achieve sustainability; if we had a goal, how would we get there?

Put simply, a charter could set national goals and encourage acts to achieve them.

An important distinction, is that sustainable development is NOT about “sustaining development”; rather it is about “development that allows the planet and the human condition to be sustained, indefinitely”. There is clearly confusion between the “compliance-oriented” notions of business at large (being a good corporate citizen) and the necessity to live within ecological limits. Therefore a charter would seek to address this by either, (a) encouraging acts that seek to de-couple consumption from natural capital depletion and/or (b) encouraging acts that lower consumption while raising community well being.

4. Sustainability Charter Scope

The Sustainability Charter Discussion Paper uses a narrow list of principles, presumably borrowed from the Sustainable Cities report but further narrowed to just: the built environment, water, energy, transport and ecological footprint. Missing are things like social well being and institutional governance.

It is Hatch's view that the scope of the Sustainability Charter should include the entire sustainability context so that a whole-of-systems approach is promoted, rather than discouraged. We currently see a continuation of silos and other boundaries in thinking that typifies much business today (especially so in our field of consulting engineering).

5. Sustainability Charter Models

A number of nations have recently used a charter, or national strategy to map their contribution to the global issue of sustainability; Sweden is mentioned in the briefing paper. The two listed below offer further and perhaps more modern examples of national plans which Australia might emulate and modify to suit our particular circumstances. We expect Hatch and our clients will necessarily be guided by the principles espoused in these documents when we operate in the respective countries. The same guidance could work in Australia with a well-designed charter. We recommend study of these to the committee, if they have not already done so.

- The United Kingdom²

The UK Government has a new “purpose and principles for sustainable development” and new shared priorities agreed across the UK. The strategy contains:

- a new integrated vision building on their 1999 strategy – with stronger international and societal dimensions
- five principles – with a more explicit focus on environmental limits
- four agreed priorities – sustainable consumption and production, climate change, natural resource protection and sustainable communities, and
- a new indicator set, which is more outcome focused, with commitments to look at new indicators such as on wellbeing.

- Republic of South Africa

The RSA government's National Strategy for Sustainable Development (NSSD) is in final draft form, due for release soon. Its function is to guide the nation in its second decade of democracy. When published, it will state that there is broad consensus over two economic and social challenges:

- How to boost growth and to make sure that there is a more equitable distribution of economic wealth; and

² <http://www.sustainable-development.gov.uk/publications/uk-strategy/index.htm>

- How to eradicate poverty, including meeting the Millennium Development Goals.

It goes on to state that a commitment to sustainable development means recognising there is now a third challenge:

- How to de-link growth and poverty eradication from rising levels of natural resource use and waste.

Australia could well just use these high-level goals and strategies in setting our aspirational targets. Notwithstanding, both documents have much more detail and are an excellent template to consider for all levels of thinking.

Singling out one particular issue from both of the above; social well being is poorly measured in contemporary Australian life. Our reliance on GDP in the national accounts allows government and business to miss important non-economic drivers in both policy and day-to-day decision-making. For example, GDP counts (as a positive contribution) road accidents and arms-spending yet fails to account for volunteer work or environmental degradation. Question five in the briefing document is a good illustration: “Will there be a cost/gain to the economy by introducing the target(s)?” This might be better presented as: Will there be a gain to the community’s well-being by introducing the target(s)? Many contemporary authors³ have suggested alternative or parallel methods for social measures at national level – a sustainability charter could institutionalise such a measure as a powerful element of the wider incentives to act.

6. Recommendations

We recommend that the committee:

- Examine the excellent models introduced by other countries such as South Africa, the UK and Sweden.
- Create a charter that acts as a guide for individuals, as well as corporate and government entities. It will ideally provide incentives to contribute to the well being of the global community by working towards sustainable resource use that recognizes ecosystem limits.
- Adopt a parallel measure for national accounts that encompasses well-being rather than solely relying on GDP.



Philip Bangerter
Global Director – Sustainability



Geoff Knox
Global Managing Director Infrastructure
Managing Director Australia/Asia

³ For example (a) Clive Hamilton of the Australia Institute and (b) Lawn & Sanders with their Sustainable Net Benefit Index